



STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

August 8, 2006 Monthly Meeting Minutes

1. CALL TO ORDER

Chair Jim Luce called the August 8, 2006 monthly meeting to order at 925 Plum Street S.E., Building 4, Room 308, at 1:30 p.m.

2. ROLL CALL

Council members present were:

Dick Fryhling	Community, Trade & Economic Development
Hedia Adelsman	Department of Ecology
Jeff Tayer	Department of Fish and Wildlife
Judy Wilson	Department of Natural Resources
Tim Sweeney	Utilities and Transportation Commission
Jim Luce	Chair

Staff in attendance were:

Allen Fiksdal – EFSEC Manager, Mike Mills – Compliance Manager, Irina Makarow – Siting Manager, Mariah Laamb – Council Secretary

Guests in attendance were:

Curt Leigh – Washington Department of Fish and Wildlife, Mike Tribble – Counsel for the Environment, Darrel Peebles – Attorney

Guests attending via phone:

James Hurson – Kittitas County, Scott Williams – Puget Sound Energy, Kaye Emmons – Chehalis Power, Karen McGaffey – Perkins Coie, Tim McMahan – Stoel Rives

3. ADOPTION OF PROPOSED AGENDA

The agenda was presented to the Council for amendments or additions. It was agreed to let Chehalis Generation Facility report first in the project updates. The agenda was adopted as amended.

4. MINUTES

Staff presented the following minutes for approval: July 11, 2006 monthly meeting and the July 12, 2006 and July 13, 2006 special meetings.

MOTION – Approval of the minutes of the July 11, 2006 meeting and the July 12, 2006 and July 13, 2006 special meetings. Council member Tim Sweeney made the motion and Council member Dick Fryhling seconded it. The Council voted on the motion and it passed unanimously.

5. PROJECT UPDATES

Chehalis Generation Facility

<i>Plant Status</i>	<i>Kaye Emmons, Chehalis Power</i>
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Ms. Kaye Emmons, Plant Engineer, provided a brief update on activities at the Chehalis Generation Facility since the March 17, 2006 transformer fire that took the plant off-line. Chehalis Power was able to resume operations in late July by bringing one gas turbine and the steam turbine back on-line in response to a high demand for electricity. The damaged transformer unit has been replaced and the new unit is expected to be filled with oil and tested later this week. The plant expects to be at full power by early next week. The replacement transformer will remain in place through next year's spring maintenance outage when it will be replaced with a new permanent unit.

BP Cherry Point Cogeneration

<i>SCA Amendment Update</i>	<i>Irina Makarow, EFSEC Staff</i>
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Ms. Irina Makarow updated the Council on the Site Certificate Agreement amendment request. She reported the amendment request is under review by EFSEC staff and the SEPA checklist accurately reflects the certificate holder's requests for changes. Staff is waiting for responses to several questions sent to BP to finalize the review. The Council was provided with a list of additional information that is being requested from BP.

A public hearing is being planned for Whatcom County in October of this year. Staff would like to provide the public with an opportunity to make statements or provide written comments at this meeting, and also provide them access to information about the proposed changes to the project. Staff proposes that the meeting follow a public meeting/workshop format with a court reporter available to record oral comments from the public who would like to do so. Written statements will also be accepted at this meeting. Once a meeting date and location are determined, a notice of the meeting will be sent to all appropriate EFSEC mailing lists.

Ms. Makarow also reported that a meeting had been held two weeks ago with BP and Whatcom County officials to discuss county preparations for conducting plan reviews. The

meeting was very positive and the county expects to hire people to support the review of the project.

Wild Horse Wind Power Project

<i>Construction Progress Report</i>	<i>Irina Makarow, EFSEC Staff</i> <i>Scott Williams, Puget Sound Energy</i>
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Ms. Irina Makarow reported that the Technical Advisory Committee (TAC) met on August 1, 2006 with much enthusiasm and good participation, with many groups bringing more than one person to the meeting. Meeting participants were presented with the TAC rules of procedure and avian monitoring plan, and were updated regarding the development of grazing and hunting plans for the site.

Mr. Scott Williams, of Puget Sound Energy (PSE), reported the Wild Horse Wind Power Project site has 35 turbines completed with 16 commissioned and generating test power. There are more turbines completed each week and more being commissioned and tested. They expect the plant will be fully functioning and online by December of 2006.

Council member Jeff Tayer reported that the Wild Horse Wind Power Project is in the middle of a 60,000 acre area where the focus is on improving grazing and habitat management. Mr. Tayer indicated that WDFW is requesting an additional \$4 million from the Washington Wildlife and Recreation Program today that will be the final piece in protecting the surrounding valuable habitat. The mitigation portion of the Wild Horse Wind Power Project, along with EFSEC and WDFW's earlier contribution for the Skookumchuck acquisition, has resulted in being able to leverage the \$ 4 million in additional funds to improve the grazing and habitat management of the 60,000 acre area.

Kittitas Valley Wind Power Project

<i>Application Processing - Update</i>	<i>Irina Makarow, EFSEC Staff</i>
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A pre-hearing conference is scheduled for August 17, 2006, for 3:30 pm at the EFSEC offices, 925 Plum St., Bldg. 4, conference room 308. Supplemental prefiled testimony is due by August 15, 2006.

Columbia Generating Station

<i>Operational Status</i>	<i>Mike Mills, EFSEC Staff</i>
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Columbia has been operating at 100 percent power for 402 consecutive days, its longest continuous operational run in its 22-year history. A ground water protection report for Columbia is being completed and Mr. Mills will distribute to Council members soon. Mr. Mills recently met with the State Fire Marshal following their annual fire safety inspection and is working with that office and Energy Northwest on a plan review protocol for new construction and major modifications to existing buildings.

WNP-1

<i>Update on Projects</i>	<i>Mike Mills, EFSEC Staff</i>
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The Trust for Public Lands reported they expect to complete their appraisal and survey for the Michel property in the Amon Creek Basin by mid-September. Then they will submit a funding package application in anticipation of purchasing the land in mid-December.

Mr. Mills has sent a draft contract to the Walla Walla County Conservation District that would provide funding \$400,000 towards completion of the Hofer Dam project. Final design

plans are being reviewed now. The district expects to start construction soon – late August or early September.

Mr. Mills has drafted a contract for the Hanford Reach Interpretive Center, in the amount of \$250,000 for habitat preservation at the Columbia Point South area in Richland. Energy Northwest may also contribute \$50,000 - \$100,000 towards the center to help satisfy its Site Certificate Agreement requirement for a visitors center at the Columbia Generating Station.

Satsop CT Project

<i>August 9 Site Visit</i>	<i>Mike Mills, EFSEC Staff</i>
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A notice for a site visit to the Satsop CT project was sent out last week to our minutes and agenda mailing list. The Council will visit the site Wednesday August 9, 2006 for an afternoon tour. Council members, staff and guests may attend.

6. EFSEC RULES

<i>WAC Changes – Review Status</i>	<i>Allen Fiksdal, Manager</i>
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Mr. Allen Fiksdal reported the Council is preparing for rulemaking and he is asking the Council and persons interested in rulemaking to respond to questions regarding EFSEC's Carbon Dioxide (CO₂) rulemaking. He plans to send out his questions next week.

Ms. Irina Makarow provided information on the Environmental Protection Agency's (EPA) Clean Air Mercury Rule and the Department of Ecology's CR-101 for establishing a mercury emissions program in Washington. EFSEC and Ecology will need to work together to adopt and implement rules on mercury emissions in Washington State. Ms. Makarow will bring additional information to the Council as the rulemaking progresses.

7. CHAIR'S REPORT

Chair Jim Luce reported that over the past few months he has met with about 50 constituents regarding updates to the Earl Report, which discusses ways to improve EFSEC's activities including process, jurisdiction, governance and funding. A meeting will be held to bring all interested individuals together for further discussion on Tuesday, August 15, 2006, starting at 9:00 am at EFSEC's office, 925 Plum St., conference room 308.

8. OTHER

Mr. Jeff Tayer was introduced and welcomed to his first Council meeting as the new representative for the Department of Fish and Wildlife.

9. ADJOURN

The meeting was adjourned at 2:13 p.m.